STAND. COM. REP. NO. 3044

Honolulu, Hawaii

MAR 2 1 2014

RE: H.B. No. 1977

> H.D. 2 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 1977, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the collective bargaining laws to:

- (1)Require parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached; and
- (2) Authorize the arbitration panel to decide whether final positions comply with all requirements and which proposals may be considered for inclusion in the final agreement.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and University of Hawaii Professional Assembly. Committee received testimony in opposition to this measure from the Department of Budget and Finance, Department of Education, Office of Collective Bargaining, and Department of Human Resources of the City and County of Honolulu.

Your Committee finds that this measure clarifies the procedures for final positions in arbitration proceedings by requiring parties in arbitration in include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached. Furthermore, the Hawaii Government Employees Association testified that this measure creates a cost-effective dispute resolution mechanism to determine whether final positions can be included in the final agreement by authorizing the arbitration panel, rather than the Hawaii Labor Relations Board, to make such a determination.

Your Committee has amended this measure by adopting the language suggested by the Hawaii Government Employees Association to:

- (1) Delete language that requires parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached, and insert language that allows the inclusion of all further provisions in a final position if such further provisions are limited to those specific proposals that were submitted in writing to the other party and were the subject of collective bargaining between the parties up to the time of the impasse, including specific proposals that the parties have decided to include through a written mutual agreement;
- (2) Change the effective date from July 1, 2030, to July 1, 2014; and
- (3) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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Respectfully submitted on behalf of the members of the Committee on Judiciary and

Labor

CLAYTON HEE, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: The Recommendation is: Pass, unamended 2311 2310 2313 Members Aye Aye (WR) Nay Excuse HEE, Clayton (C) SHIMABUKURO, Maile S.L. (VC) GABBARD, Mike GALUTERIA, Brickwood IHARA, Jr., Les SOLOMON, Malama SLOM, Sam					
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: The Recommendation is: Pass, unamended Pass, with amendments Hold Recomming 2312 Members Aye Aye (WR) Nay Excused HEE, Clayton (C) SHIMABUKURO, Maile S.L. (VC) GABBARD, Mike GALUTERIA, Brickwood IHARA, Jr., Les SOLOMON, Malama	ļ				
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TOTAL 5 / /					
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
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*Only one measure per Record of Votes